

## Message Text

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FM AMEMBASSY MANAGUA

TO USDOC WASHDC

INFO SECSTATE WASHDC 3446

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E. O. 11652: N/A

TAGS: BEXP NU

SUBJECT: BIC TRADE PROMOTION, BEST PROSPECTS

REF: A. STATE 23105

B. STATE A-9312, NOVEMBER 12, 1973

C. MANAGUA 4860, DECEMBER 17, 1973

SUMMARY: EMBASSY FEELS PROSPECTS AMONG THE TARGET INDUSTRIES FOR PROMOTION IN NICARAGUA ARE BEST FOR FOOD PROCESSING AND PACKAGING EQUIPMENT, HEALTH CARE INDUSTRIES EQUIPMENT AND INSTRUMENTATION, AND BUILDING AND CONSTRUCTION SUPPLIES AND EQUIPMENT. A BRIEF NARRATIVE FOLLOWS ON EACH ONE. STATISTICAL INFORMATION CURRENT ENOUGH TO BE USEFUL IS NOT AVAILABLE. ALL THREE OF THESE TARGET INDUSTRIES ARE INCLUDED IN THE EMBASSY'S 1974 COMMERCIAL ACTION PROGRAM AND FOLLOW-UP PROMOTION WILL UNDOUBTEDLY BE USEFUL IN FY 1975. END SUMMARY.

1. FOOD PROCESSING AND PACKAGING EQUIPMENT. THE NUMBER OF FOOD PROCESSING PROJECTS CURRENTLY UNDERWAY OR BEING PLANNED FOR THE NEAR FUTURE COMBINED WITH THE INCREASED NUMBER OF COMMERCIAL LOANS FOR EXPANDED AGRICULTURAL AND INDUSTRIAL PRODUCTION, AUGUR AN INCREASING DEMAND FOR FOOD PROCESSING AND PACKAGING EQUIPMENT IN NICARAGUA DURING FORTHCOMING YEARS. PROJECTS INCLUDE THE STABLUHMENT OF AN ORANGE JUICE PROCESSING PLANT, THE MODERNIZATION AND EXPANSION OF AN EXISTING MEAT CANNING PLANT, THE ESTABLISHMENT OF A COTTON SEED FLOUR MILL, THE PROCESSING AND PACKAGING

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OF PORK PRODUCTS, THE POSSIBLE ESTABLISHMENT OF A BEVERAGE

CANNING PLANT, AND THE EVENTUAL INDUSTRIALIZATION OF VEGETABLES AND FRUITS. THE RECONSTRUCTION OF MANAGUA SUGGEST FURTHER POSSIBILITIES FOR THE SALE OF FOOD PROCESSING EQUIPMENT, INCLUDING EQUIPMENT FOR BAKERIES, INSTITUTIONAL CAFETERIAS, HOTELS, RESTAURANTS, SHORT-ORDER STANDS, ETC. ADDITIONAL SALES WILL ALSO BE FORTHCOMING WHEN ESTABLISHED INDUSTRIES, SUCH AS MEAT PACKING HOUSES, GRAIN MILLS, DAIRY AND BEVERAGE PLANTS, EIDBLE OIL PROCESSORS, AND CEREAL ROASTING AND PACKAGING FIRMS FIND NEED FOR NEW OR ADDITIONAL EQUIPMENT. AS AN ACTION OF THE FY 74 CAP, AN INDUSTRY PROFILE IS BEING PREPARED WHICH WILL DETAIL THE OPPORTUNITIES FOR MANUFACTURERS OF FOOD PROCESSING AND PACKAGING MACHINERY.

2. HEALTH CARE INDUSTRIES EQUIPMENT AND INSTRUMENTATION. THE DESTRUCTION OF ALL BUT ONE MEDIUM SIZE GENERAL HOSPITAL IN MANAGUA BY THE DECEMBER 1972 EARTHQUAKE AND THE RESULTANT HOSPITAL BUILDING PROGRAM UNDERTAKEN BY GOVERNMENT AND PRIVATE INITIATIVE, WILL PROVIDE AN EXCELLENT MARKET FOR HEALTH CARE EQUIPMENT IN NICARAGUA DURING FURTHCOMING YEARS. FURTHER OPPORTUNITIES WILL BE PROVIDED SHOULD GON FAVOR RECOMMENDATIONS TO UPG ADE HOSPITAL EQUIPMENT AND FACILITIES NATIONWIDE. A HOSPITAL EQUIPMENT MARKET SURVEY (MANAGUA A-77, DECEMBER 13, 1973) EXPLAINS IN DETAIL THE PROSPECTS FOR SALE IN NICARAGUA.

3. BUILDING AND CONSTRUCTION SUPPLIES AND EQUIPMENT.

THE RECONSTRUCTION OF THE CITY OF MANAGUA, EXPECTED TO TAKE FROM 7 TO 10 YEARS, WILL PROVIDE AN EXCELLENT MARKET FOR ALL PRODUCTS THAT MAY BE CATEGORIZED AS BUILDING MATERIALS, MACHINERY, EQUIPMENT, AND SUPPLIES. AS THE RECONSTRUCTION EFFORTS PROGRESS, OTHER FIELDS OF OPPORTUNITIES ARE EXPECTED TO ALSO PROVIDE A LUCRATIVE MARKET FOR OTHER PRODUCTS, INCLUDING NEW ELECTRIC AND ELECTRONIC APPLIANCES FOR THE NEW HOMES, AND BUSINESS MACHINES AND OFFICE EQUIPMENT FOR THE NEW COMMERCIAL BULIDNGS. THE OUTLOOK IN THE CONSTRUCTION INDUSTRY WAS VIEWED GENERALLY IN OUR TRADE OUTLOOK ARTICLE (MANAGUA A-61, OCTOBER 25, 1973) AND REVIEWED IN OUR TRENDS REPORT (MANAGUA A-80, DECEMBER 28, 1973).

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